

Calendar No. 279

104TH CONGRESS  
1ST Session

**S. 1044**

[Report No. 104-186]

**A BILL**

To amend title III of the Public Health Service Act to consolidate and reauthorize provisions relating to health centers, and for other purposes.

DECEMBER 15, 1995

Reported with amendments

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## IN THE SENATE OF THE UNITED STATES

JULY 17 (legislative day, JULY 10), 1995

Mrs. KASSEBAUM, (for herself, Mr. KENNEDY, Mr. JEFFORDS, Mr. PELL, and Mr. SIMON) introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

DECEMBER 15, 1995

Reported by Mrs. KASSEBAUM, with amendments

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## A BILL

To amend title III of the Public Health Service Act to consolidate and reauthorize provisions relating to health centers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

### 3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Health Centers Con-  
5 solidation Act of 1995”.

1 **SEC. 2. CONSOLIDATION AND REAUTHORIZATION OF PRO-**  
 2 **VISIONS.**

3 Subpart I of part D of title III of the Public Health  
 4 Service Act (42 U.S.C. 254b et seq.) is amended to read  
 5 as follows:

6 “Subpart I—Health Centers

7 **“SEC. 330. HEALTH CENTERS.**

8 “(a) DEFINITION OF HEALTH CENTER.—

9 “(1) IN GENERAL.—For purposes of this sec-  
 10 tion, the term ‘health center’ means an entity that  
 11 serves a population that is medically underserved, or  
 12 a special medically underserved population com-  
 13 prised of migratory and seasonal agricultural work-  
 14 ers, the homeless, and residents of public housing,  
 15 by providing, either through the staff and supporting  
 16 resources of the center or through contracts or coop-  
 17 erative arrangements—

18 “(A) required primary health services (as  
 19 defined in subsection (b)(1)); and

20 “(B) as may be appropriate for particular  
 21 centers, additional health services (as defined in  
 22 subsection (b)(2)) necessary for the adequate  
 23 support of the primary health services required  
 24 under subparagraph (A);

1 for all residents of the area served by the center  
 2 (hereafter referred to in this section as the  
 3 ‘catchment area’).

4 “(2) LIMITATION.—The requirement in para-  
 5 graph (1) to provide services for all residents within  
 6 a catchment area shall not apply in the case of a  
 7 health center receiving a grant only under subsection  
 8 (f), (g), or (h).

9 “(b) DEFINITIONS.—For purposes of this section:

10 “(1) REQUIRED PRIMARY HEALTH SERVICES.—

11 “(A) IN GENERAL.—The term ‘required  
 12 primary health services’ means—

13 “(i) basic health services which, for  
 14 purposes of this section, shall consist of—

15 “(I) health services related to  
 16 family medicine, internal medicine, pe-  
 17 diatrics, obstetrics, or gynecology that  
 18 are furnished by physicians and where  
 19 appropriate, physician assistants,  
 20 nurse practitioners, and nurse mid-  
 21 wives;

22 “(II) diagnostic laboratory and  
 23 radiologic services;

24 “(III) preventive health services,  
 25 including—

1                   “(aa) prenatal and perinatal  
2                   services;

3                   “(bb) screening for breast  
4                   and cervical cancer;

5                   “(cc) well-child services;

6                   “(dd) immunizations against  
7                   vaccine-preventable diseases;

8                   “(ee) screenings for elevated  
9                   blood lead levels, communicable  
10                  diseases, and cholesterol;

11                  “(ff) pediatric eye, ear, and  
12                  dental screenings to determine  
13                  the need for vision and hearing  
14                  correction and dental care;

15                  “(gg) voluntary family plan-  
16                  ning services; and

17                  “(hh) preventive dental serv-  
18                  ices;

19                  “(IV) emergency medical serv-  
20                  ices; and

21                  “(V) pharmaceutical services as  
22                  may be appropriate for particular cen-  
23                  ters;

24                  “(ii) referrals to providers of medical  
25                  services and other health-related services

1 (including substance abuse and mental  
2 health services);

3 “(iii) patient case management serv-  
4 ices (including counseling, referral, and fol-  
5 low-up services) and other services de-  
6 signed to assist health center patients in  
7 establishing eligibility for and gaining ac-  
8 cess to Federal, State, and local programs  
9 that provide or financially support the pro-  
10 vision of medical, social, educational, or  
11 other related services;

12 “(iv) services that enable individuals  
13 to use the services of the health center (in-  
14 cluding outreach and transportation serv-  
15 ices and, if a substantial number of the in-  
16 dividuals in the population served by a cen-  
17 ter are of limited English-speaking ability,  
18 the services of appropriate personnel fluent  
19 in the language spoken by a predominant  
20 number of such individuals); and

21 “(v) education of patients and the  
22 general population served by the health  
23 center regarding the availability and prop-  
24 er use of health services.

1           “(B) EXCEPTION.—With respect to a  
 2           health center that receives a grant only under  
 3           subsection (f), the Secretary, upon a showing of  
 4           good cause, shall—

5                   “(i) waive the requirement that the  
 6                   center provide all required primary health  
 7                   services under this paragraph; and

8                   “(ii) approve, as appropriate, the pro-  
 9                   vision of certain required primary health  
 10                  services only during certain periods of the  
 11                  year.

12           “(2) ADDITIONAL HEALTH SERVICES.—The  
 13           term ‘additional health services’ means services that  
 14           are not included as required primary health services  
 15           and that are appropriate to meet the health needs  
 16           of the population served by the health center in-  
 17           volved. Such term may include—

18                   “(A) environmental health services, includ-  
 19                  ing—

20                           “(i) the detection and alleviation of  
 21                           unhealthful conditions associated with  
 22                           water supply;

23                           “(ii) sewage treatment;

24                           “(iii) solid waste disposal;

25                           “(iv) rodent and parasitic infestation;

1 “(v) field sanitation;

2 “(vi) housing; and

3 “(vii) other environmental factors re-  
4 lated to health; and

5 “(B) in the case of health centers receiving  
6 grants under subsection (f), special occupation-  
7 related health services for migratory and sea-  
8 sonal agricultural workers, including—

9 “(i) screening for and control of infec-  
10 tious diseases, including parasitic diseases;  
11 and

12 “(ii) injury prevention programs, in-  
13 cluding prevention of exposure to unsafe  
14 levels of agricultural chemicals including  
15 pesticides.

16 “(3) MEDICALLY UNDERSERVED POPU-  
17 LATIONS.—

18 “(A) IN GENERAL.—The term ‘medically  
19 underserved population’ means the population  
20 of an urban or rural area designated by the  
21 Secretary as an area with a shortage of per-  
22 sonal health services or a population group des-  
23 ignated by the Secretary as having a shortage  
24 of such services.

1           “(B) CRITERIA.—In carrying out subpara-  
2 graph (A), the Secretary shall prescribe criteria  
3 for determining the specific shortages of per-  
4 sonal health services of an area or population  
5 group. Such criteria shall—

6           “(i) take into account comments re-  
7 ceived by the Secretary from the chief ex-  
8 ecutive officer of a State and local officials  
9 in a State; and

10          “(ii) include factors indicative of the  
11 health status of a population group or resi-  
12 dents of an area, the ability of the resi-  
13 dents of an area or of a population group  
14 to pay for health services and their acces-  
15 sibility to them, and the availability of  
16 health professionals to residents of an area  
17 or to a population group.

18          “(C) LIMITATION.—The Secretary may not  
19 designate a medically underserved population in  
20 a State or terminate the designation of such a  
21 population unless, prior to such designation or  
22 termination, the Secretary provides reasonable  
23 notice and opportunity for comment and  
24 consults with—

1 “(i) the chief executive officer of such  
2 State;

3 “(ii) local officials in such State; and

4 “(iii) the organization, if any, which  
5 represents a majority of health centers in  
6 such State.

7 “(D) PERMISSIBLE DESIGNATION.—The  
8 Secretary may designate a medically under-  
9 served population that does not meet the cri-  
10 teria established under subparagraph (B) if the  
11 chief executive officer of the State in which  
12 such population is located and local officials of  
13 such State recommend the designation of such  
14 population based on unusual local conditions  
15 which are a barrier to access to or the availabil-  
16 ity of personal health services.

17 “(c) PLANNING GRANTS.—

18 “(1) IN GENERAL.—

19 “(A) CENTERS.—The Secretary may make  
20 grants to public and nonprofit private entities  
21 for projects to plan and develop health centers  
22 which will serve medically underserved popu-  
23 lations. A project for which a grant may be  
24 made under this subsection may include the  
25 cost of the acquisition, expansion, and mod-

ernization of existing buildings and construction of new buildings (including the costs of amortizing the principal of, and paying the interest on, loans) and shall include—

“(i) an assessment of the need that the population proposed to be served by the health center for which the project is undertaken has for required primary health services and additional health services;

“(ii) the design of a health center program for such population based on such assessment;

“(iii) efforts to secure, within the proposed catchment area of such center, financial and professional assistance and support for the project;

“(iv) initiation and encouragement of continuing community involvement in the development and operation of the project; and

“(v) proposed linkages between the center and other appropriate provider entities, such as health departments, local hospitals, and rural health clinics, to provide

1 better coordinated, higher quality, and  
2 more cost-effective health care services.

3 “(B) COMPREHENSIVE SERVICE DELIVERY  
4 NETWORKS AND PLANS.—The Secretary may  
5 make grants to health centers that receive as-  
6 sistance under this section to enable the centers  
7 to plan and develop a network or plan for the  
8 provision of health services, which may include  
9 the provision of health services on a prepaid  
10 basis or through another managed care ar-  
11 rangement, to some or to all of the individuals  
12 which the centers serve. Such a grant may only  
13 be made for such a center if—

14 “(i) the center has received grants  
15 under subsection (d)(1)(A) for at least 2  
16 consecutive years preceding the year of the  
17 grant under this subparagraph or has oth-  
18 erwise demonstrated, as required by the  
19 Secretary, that such center has been pro-  
20 viding primary care services for at least  
21 the 2 consecutive years immediately pre-  
22 ceding such year; and

23 “(ii) the center provides assurances  
24 satisfactory to the Secretary that the pro-  
25 vision of such services on a prepaid basis,

1 or under another managed care arrange-  
2 ment, will not result in the diminution of  
3 the level or quality of health services pro-  
4 vided to the medically underserved popu-  
5 lation served prior to the grant under this  
6 subparagraph.

7 Any such grant may include the acquisition and  
8 lease, expansion, and modernization of existing  
9 buildings, construction of new buildings, acqui-  
10 sition or lease of equipment which may include  
11 data and information systems, and providing  
12 training and technical assistance related to the  
13 provision of health services on a prepaid basis  
14 or under another managed care arrangement,  
15 and for other purposes that promote the devel-  
16 opment of managed care networks and plans.

17 “(2) LIMITATION.—Not more than two grants  
18 may be made under this subsection for the same  
19 project, except that upon a showing of good cause,  
20 the Secretary may make additional grant awards.

21 “(d) OPERATING GRANTS.—

22 “(1) AUTHORITY.—

23 “(A) IN GENERAL.—The Secretary may  
24 make grants for the costs of the operation of  
25 public and nonprofit private health centers that

1 provide health services to medically underserved  
2 populations.

3 “(B) ENTITIES THAT FAIL TO MEET CER-  
4 TAIN REQUIREMENTS.—The Secretary may  
5 make grants, for a period of not to exceed 2-  
6 years, for the costs of the operation of public  
7 and nonprofit private entities which provide  
8 health services to medically underserved popu-  
9 lations but with respect to which the Secretary  
10 is unable to make each of the determinations  
11 required by subsection ~~(j)~~(i)(3).

12 “(2) USE OF FUNDS.—The costs for which a  
13 grant may be made under subparagraph (A) or (B)  
14 of paragraph (1) may include the costs of acquiring,  
15 expanding, and modernizing existing buildings and  
16 constructing new buildings (including the costs of  
17 amortizing the principal of, and paying interest on,  
18 loans), the costs of repaying loans for buildings, and  
19 the costs of providing training related to the provi-  
20 sion of required primary health services and addi-  
21 tional health services and to the management of  
22 health center programs.

23 “(3) LIMITATION.—Not more than two grants  
24 may be made under subparagraph (B) of paragraph  
25 (1) for the same entity.

1 “(4) AMOUNT.—

2 “(A) IN GENERAL.—The amount of any  
3 grant made in any fiscal year under paragraph  
4 (1) to a health center shall be determined by  
5 the Secretary, but may not exceed the amount  
6 by which the costs of operation of the center in  
7 such fiscal year exceed the total of—

8 “(i) State, local, and other operational  
9 funding provided to the center; and

10 “(ii) the fees, premiums, and third-  
11 party reimbursements, which the center  
12 may reasonably be expected to receive for  
13 its operations in such fiscal year.

14 “(B) PAYMENTS.—Payments under grants  
15 under subparagraph (A) or (B) of paragraph  
16 (1) shall be made in advance or by way of reim-  
17 bursement and in such installments as the Sec-  
18 retary finds necessary and adjustments may be  
19 made for overpayments or underpayments.

20 “(C) USE OF NONGRANT FUNDS.—  
21 Nongrant funds described in clauses (i) and (ii)  
22 of subparagraph (A), including any such funds  
23 in excess of those originally expected, shall be  
24 used as permitted under this section, and may  
25 be used for such other purposes as are not spe-

1           cifically prohibited under this section if such  
2           use furthers the objectives of the project.

3           “(e) INFANT MORTALITY GRANTS.—

4           “(1) IN GENERAL.—The Secretary may make  
5           grants to health centers for the purpose of assisting  
6           such centers in—

7                   “(A) providing comprehensive health care  
8                   and support services for the reduction of—

9                           “(i) the incidence of infant mortality;  
10                           and

11                           “(ii) morbidity among children who  
12                           are less than 3 years of age; and

13                   “(B) developing and coordinating service  
14                   and referral arrangements between health cen-  
15                   ters and other entities for the health manage-  
16                   ment of pregnant women and children described  
17                   in subparagraph (A).

18           “(2) PRIORITY.—In making grants under this  
19           subsection the Secretary shall give priority to health  
20           centers providing services to any medically under-  
21           served population among which there is a substantial  
22           incidence of infant mortality or among which there  
23           is a significant increase in the incidence of infant  
24           mortality.

1           “(3) REQUIREMENTS.—The Secretary may  
2           make a grant under this subsection only if the  
3           health center involved agrees that—

4                   “(A) the center will coordinate the provi-  
5                   sion of services under the grant to each of the  
6                   recipients of the services;

7                   “(B) such services will be continuous for  
8                   each such recipient;

9                   “(C) the center will provide follow-up serv-  
10                  ices for individuals who are referred by the cen-  
11                  ter for services described in paragraph (1);

12                  “(D) the grant will be expended to supple-  
13                  ment, and not supplant, the expenditures of the  
14                  center for primary health services (including  
15                  prenatal care) with respect to the purpose de-  
16                  scribed in this subsection; and

17                  “(E) the center will coordinate the provi-  
18                  sion of services with other maternal and child  
19                  health providers operating in the catchment  
20                  area.

21           “(f) MIGRATORY AND SEASONAL AGRICULTURAL  
22           WORKERS.—

23                   “(1) IN GENERAL.—The Secretary may award  
24                   grants for the purposes described in subsections (c),  
25                   (d), and (e) for the planning and delivery of services

1 to a special medically underserved population com-  
2 prised of—

3 “(A) migratory agricultural workers, sea-  
4 sonal agricultural workers, and members of the  
5 families of such migratory and seasonal agricul-  
6 tural workers who are within a designated  
7 catchment area; and

8 “(B) individuals who have previously been  
9 migratory agricultural workers but who no  
10 longer meet the requirements of subparagraph  
11 (A) of paragraph (4) because of age or disabil-  
12 ity and members of the families of such individ-  
13 uals who are within such catchment area.

14 “(2) ENVIRONMENTAL CONCERNS.—The Sec-  
15 retary may enter into grants or contracts under this  
16 subsection with public and private entities to—

17 “(A) assist the States in the implementa-  
18 tion and enforcement of acceptable environ-  
19 mental health standards, including enforcement  
20 of standards for sanitation in migratory agricul-  
21 tural worker labor camps, and applicable Fed-  
22 eral and State pesticide control standards; and

23 “(B) conduct projects and studies to assist  
24 the several States and entities which have re-  
25 ceived grants or contracts under this section in

1 the assessment of problems related to camp and  
 2 field sanitation, exposure to unsafe levels of ag-  
 3 ricultural chemicals including pesticides, and  
 4 other environmental health hazards to which  
 5 migratory agricultural workers and members of  
 6 their families are exposed.

7 “(3) DEFINITIONS.—For purposes of this sub-  
 8 section:

9 “(A) MIGRATORY AGRICULTURAL WORK-  
 10 ER.—The term ‘migratory agricultural worker’  
 11 means an individual whose principal employ-  
 12 ment is in agriculture on a seasonal basis, who  
 13 has been so employed within the last 24  
 14 months, and who establishes for the purposes of  
 15 such employment a temporary abode.

16 “(B) SEASONAL AGRICULTURAL WORK-  
 17 ER.—The term ‘seasonal agricultural worker’  
 18 means an individual whose principal employ-  
 19 ment is in agriculture on a seasonal basis and  
 20 who is not a migratory agricultural worker.

21 “(C) AGRICULTURE.—The term ‘agri-  
 22 culture’ means farming in all its branches, in-  
 23 cluding—

24 “(i) cultivation and tillage of the soil;

1 “(ii) the production, cultivation, grow-  
 2 ing, and harvesting of any commodity  
 3 grown on, in, or as an adjunct to or part  
 4 of a commodity grown in or on, the land;  
 5 and

6 “(iii) any practice (including prepara-  
 7 tion and processing for market and deliv-  
 8 ery to storage or to market or to carriers  
 9 for transportation to market) performed by  
 10 a farmer or on a farm incident to or in  
 11 conjunction with an activity described in  
 12 clause (ii).

13 “(g) HOMELESS POPULATION.—

14 “(1) IN GENERAL.—The Secretary may award  
 15 grants for the purposes described in subsections (c),  
 16 (d), and (e) for the planning and delivery of services  
 17 to a special medically underserved population com-  
 18 prised of homeless individuals, including grants for  
 19 innovative programs that provide outreach and com-  
 20 prehensive primary health services to homeless chil-  
 21 dren and children at risk of homelessness.

22 “(2) REQUIRED SERVICES.—In addition to re-  
 23 quired primary health services (as defined in sub-  
 24 section (b)(1)), an entity that receives a grant under

1       this subsection shall be required to provide sub-  
2       stance abuse services as a condition of such grant.

3               “(3) SUPPLEMENT NOT SUPPLANT REQUIRE-  
4       MENT.—A grant awarded under this subsection shall  
5       be expended to supplement, and not supplant, the  
6       expenditures of the health center and the value of in-  
7       kind contributions for the delivery of services to the  
8       population described in paragraph (1).

9               “(4) DEFINITIONS.—For purposes of this sec-  
10      tion:

11              “(A) HOMELESS INDIVIDUAL.—The term  
12      ‘homeless individual’ means an individual who  
13      lacks housing (without regard to whether the  
14      individual is a member of a family), including  
15      an individual whose primary residence during  
16      the night is a supervised public or private facil-  
17      ity that provides temporary living accommoda-  
18      tions and an individual who is a resident in  
19      transitional housing.

20              “(B) SUBSTANCE ABUSE.—The term ‘sub-  
21      stance abuse’ has the same meaning given such  
22      term in section 534(4).

23              “(C) SUBSTANCE ABUSE SERVICES.—The  
24      term ‘substance abuse services’ includes detoxi-

1           fication and residential treatment for substance  
2           abuse provided in settings other than hospitals.

3           “(h) RESIDENTS OF PUBLIC HOUSING.—

4           “(1) IN GENERAL.—The Secretary may award  
5           grants for the purposes described in subsections (c),  
6           (d), and (e) for the planning and delivery of services  
7           to a special medically underserved population com-  
8           prised of residents of public housing (such term, for  
9           purposes of this subsection, shall have the same  
10          meaning given such term in section 3(b)(1) of the  
11          United States Housing Act of 1937) and individuals  
12          living in areas immediately accessible to such public  
13          housing.

14          “(2) SUPPLEMENT NOT SUPPLANT.—A grant  
15          awarded under this subsection shall be expended to  
16          supplement, and not supplant, the expenditures of  
17          the health center and the value of in kind contribu-  
18          tions for the delivery of services to the population  
19          described in paragraph (1).

20          “(3) CONSULTATION WITH RESIDENTS.—The  
21          Secretary may not make a grant under paragraph  
22          (1) unless, with respect to the residents of the public  
23          housing involved, the applicant for the grant—

1           “(A) has consulted with the residents in  
2           the preparation of the application for the grant;  
3           and

4           “(B) agrees to provide for ongoing con-  
5           sultation with the residents regarding the plan-  
6           ning and administration of the program carried  
7           out with the grant.

8           “(i) APPLICATIONS.—

9           “(1) SUBMISSION.—No grant may be made  
10          under this section unless an application therefore is  
11          submitted to, and approved by, the Secretary. Such  
12          an application shall be submitted in such form and  
13          manner and shall contain such information as the  
14          Secretary shall prescribe.

15          “(2) DESCRIPTION OF NEED.—An application  
16          for a grant under subparagraph (A) or (B) of sub-  
17          section (d)(1) for a health center shall include—

18               “(A) a description of the need for health  
19               services in the catchment area of the center;

20               “(B) a demonstration by the applicant that  
21               the area or the population group to be served  
22               by the applicant has a shortage of personal  
23               health services; and

24               “(C) a demonstration that the center will  
25               be located so that it will provide services to the

1           greatest number of individuals residing in the  
2           catchment area or included in such population  
3           group.

4           Such a demonstration shall be made on the basis of  
5           the criteria prescribed by the Secretary under sub-  
6           section (b)(3) or on any other criteria which the Sec-  
7           retary may prescribe to determine if the area or pop-  
8           ulation group to be served by the applicant has a  
9           shortage of personal health services. In considering  
10          an application for a grant under subparagraph (A)  
11          or (B) of subsection (d)(1), the Secretary may re-  
12          quire as a condition to the approval of such applica-  
13          tion an assurance that the applicant will provide any  
14          health service defined under paragraphs (1) and (2)  
15          of subsection (b) that the Secretary finds is needed  
16          to meet specific health needs of the area to be served  
17          by the applicant. Such a finding shall be made in  
18          writing and a copy shall be provided to the appli-  
19          cant.

20               “(3) REQUIREMENTS.—Except as provided in  
21          subsection (d)(1)(B), the Secretary may not approve  
22          an application for a grant under subparagraph (A)  
23          or (B) of subsection (d)(1) unless the Secretary de-  
24          termines that the entity for which the application is

1 submitted is a health center (within the meaning of  
2 subsection (a)) and that—

3 “(A) the required primary health services  
4 of the center will be available and accessible in  
5 the catchment area of the center promptly, as  
6 appropriate, and in a manner which assures  
7 continuity;

8 “(B) the center will have an ongoing qual-  
9 ity improvement system that includes clinical  
10 services and management, and that maintains  
11 the confidentiality of patient records;

12 “(C) the center will demonstrate its finan-  
13 cial responsibility by the use of such accounting  
14 procedures and other requirements as may be  
15 prescribed by the Secretary;

16 “(D) the center—

17 “(i) has or will have a contractual or  
18 other arrangement with the agency of the  
19 State, in which it provides services, which  
20 administers or supervises the administra-  
21 tion of a State plan approved under title  
22 XIX of the Social Security Act for the pay-  
23 ment of all or a part of the center’s costs  
24 in providing health services to persons who

1           are eligible for medical assistance under  
2           such a State plan; or

3           “(ii) has made or will make every rea-  
4           sonable effort to enter into such an ar-  
5           rangement;

6           “(E) the center has made or will make and  
7           will continue to make every reasonable effort to  
8           collect appropriate reimbursement for its costs  
9           in providing health services to persons who are  
10          entitled to insurance benefits under title XVIII  
11          of the Social Security Act, to medical assistance  
12          under a State plan approved under title XIX of  
13          such Act, or to assistance for medical expenses  
14          under any other public assistance program or  
15          private health insurance program;

16          “(F) the center—

17               “(i) has prepared a schedule of fees or  
18               payments for the provision of its services  
19               consistent with locally prevailing rates or  
20               charges and designed to cover its reason-  
21               able costs of operation and has prepared a  
22               corresponding schedule of discounts to be  
23               applied to the payment of such fees or pay-  
24               ments, which discounts are adjusted on the  
25               basis of the patient’s ability to pay;

1 “(ii) has made and will continue to  
2 make every reasonable effort—

3 “(I) to secure from patients pay-  
4 ment for services in accordance with  
5 such schedules; and

6 “(II) to collect reimbursement for  
7 health services to persons described in  
8 subparagraph (E) on the basis of the  
9 full amount of fees and payments for  
10 such services without application of  
11 any discount; and

12 “(iii) has submitted to the Secretary  
13 such reports as the Secretary may require  
14 to determine compliance with this subpara-  
15 graph;

16 “(G) the center has established a govern-  
17 ing board which except in the case of an entity  
18 operated by an Indian tribe or tribal or Indian  
19 organization under the Indian Self-Determina-  
20 tion Act—

21 “(i) is composed of individuals, a ma-  
22 jority of whom are being served by the cen-  
23 ter and who, as a group, represent the in-  
24 dividuals being served by the center;

1                   “(ii) meets at least once a month, se-  
2                   lects the services to be provided by the cen-  
3                   ter, schedules the hours during which such  
4                   services will be provided, approves the cen-  
5                   ter’s annual budget, approves the selection  
6                   of a director for the center, and, except in  
7                   the case of a governing board of a public  
8                   center (as defined in the second sentence  
9                   of this paragraph), establishes general poli-  
10                  cies for the center; and

11                  “(iii) in the case of an application for  
12                  a second or subsequent grant for a public  
13                  center, has approved the application or if  
14                  the governing body has not approved the  
15                  application, the failure of the governing  
16                  body to approve the application was unrea-  
17                  sonable;

18                  except that, upon a showing of good cause the  
19                  Secretary shall waive all or part of the require-  
20                  ments of this subparagraph in the case of a  
21                  health center that receives a grant pursuant to  
22                  subsection (f), (g), (h), or (o);

23                  “(H) the center has developed—

1 “(i) an overall plan and budget that  
2 meets the requirements of the Secretary;  
3 and

4 “(ii) an effective procedure for compil-  
5 ing and reporting to the Secretary such  
6 statistics and other information as the Sec-  
7 retary may require relating to—

8 “(I) the costs of its operations;

9 “(II) the patterns of use of its  
10 services;

11 “(III) the availability, accessibil-  
12 ity, and acceptability of its services;  
13 and

14 “(IV) such other matters relating  
15 to operations of the applicant as the  
16 Secretary may require;

17 “(I) the center will review periodically its  
18 catchment area to—

19 “(i) ensure that the size of such area  
20 is such that the services to be provided  
21 through the center (including any satellite)  
22 are available and accessible to the resi-  
23 dents of the area promptly and as appro-  
24 priate;

1           “(ii) ensure that the boundaries of  
 2           such area conform, to the extent prac-  
 3           ticable, to relevant boundaries of political  
 4           subdivisions, school districts, and Federal  
 5           and State health and social service pro-  
 6           grams; and

7           “(iii) ensure that the boundaries of  
 8           such area eliminate, to the extent possible,  
 9           barriers to access to the services of the  
 10          center, including barriers resulting from  
 11          the area’s physical characteristics, its resi-  
 12          dential patterns, its economic and social  
 13          grouping, and available transportation;

14          “(J) in the case of a center which serves  
 15          a population including a substantial proportion  
 16          of individuals of limited English-speaking abil-  
 17          ity, the center has—

18               “(i) developed a plan and made ar-  
 19               rangements responsive to the needs of such  
 20               population for providing services to the ex-  
 21               tent practicable in the language and cul-  
 22               tural context most appropriate to such in-  
 23               dividuals; and

24               “(ii) identified an individual on its  
 25               staff who is fluent in both that language

1                   and in English and whose responsibilities  
 2                   shall include providing guidance to such in-  
 3                   dividuals and to appropriate staff members  
 4                   with respect to cultural sensitivities and  
 5                   bridging linguistic and cultural differences;  
 6                   and

7                   “(K) the center, has developed an ongoing  
 8                   referral relationship with one or more hospitals.

9                   For purposes of subparagraph (G), the term ‘public  
 10                  center’ means a health center funded (or to be fund-  
 11                  ed) through a grant under this section to a public  
 12                  agency.

13                  “(4) APPROVAL OF NEW OR EXPANDED SERV-  
 14                  ICE APPLICATIONS.—The Secretary shall approve  
 15                  applications for grants under subparagraph (A) or  
 16                  (B) of subsection (d)(1) for health centers which—

17                         “(A) have not received a previous grant  
 18                         under such subsection; or

19                         “(B) have applied for such a grant to ex-  
 20                         pand their services;

21                  in such a manner that the ratio of the medically un-  
 22                  derserved populations in rural areas which may be  
 23                  expected to use the services provided by such centers  
 24                  to the medically underserved populations in urban  
 25                  areas which may be expected to use the services pro-

1 vided by such centers is not less than two to three  
 2 or greater than three to two.

3 “(5) NEW CONSTRUCTION.—The Secretary may  
 4 make a grant under subsection (c) or (d) for the  
 5 construction of new buildings for a health center  
 6 only if the Secretary determines that appropriate fa-  
 7 cilities are not available through acquiring, mod-  
 8 ernizing, or expanding existing buildings and that  
 9 the entity to which the grant will be made has made  
 10 reasonable efforts to secure from other sources  
 11 funds, in lieu of the grant, to construct such facili-  
 12 ties.

13 “(j) TECHNICAL AND OTHER ASSISTANCE.—The  
 14 Secretary may provide (either through the Department of  
 15 Health and Human Services or by grant or contract) all  
 16 necessary technical and other nonfinancial assistance (in-  
 17 cluding fiscal and program management assistance and  
 18 training in such management) to any public or private  
 19 nonprofit entity to assist entities in developing plans for,  
 20 or operating as, health centers, and in meeting the re-  
 21 quirements of subsection (i)(2).

22 “(k) AUTHORIZATION OF APPROPRIATIONS.—

23 “(1) IN GENERAL.—For the purpose of carry-  
 24 ing out this section there are authorized to be appro-  
 25 priated ~~\$756,000,000~~ \$756,518,000 for fiscal year

1 1996, and such sums as may be necessary for each  
 2 of the fiscal years 1997 through 2000.

3 ~~“(2) SPECIAL PROVISIONS.—The~~

4 ~~“(2) SPECIAL PROVISIONS.—~~

5 “(A) PUBLIC CENTERS.—The Secretary  
 6 may not expend in any fiscal year, for grants  
 7 under this section to public centers (as defined  
 8 in the second sentence of subsection (i)(3)) the  
 9 governing boards of which (as described in sub-  
 10 section (i)(3)(G)(ii)) do not establish general  
 11 policies for such centers, an amount which ex-  
 12 ceeds 5 percent of the amounts appropriated  
 13 under this section for that fiscal year. For pur-  
 14 poses of applying the preceding sentence, the  
 15 term ‘public centers’ shall not include health  
 16 centers that receive grants pursuant to sub-  
 17 section (g) or (h).

18 “(B) DISTRIBUTION OF GRANTS.—

19 “(i) FISCAL YEAR 1996.—For fiscal  
 20 year 1996, the Secretary, in awarding  
 21 grants under this section shall ensure that  
 22 the amounts made available under each of  
 23 subsections (f), (g), and (h) in such fiscal  
 24 year bears the same relationship to the total  
 25 amount appropriated for such fiscal year

under paragraph (1) as the amounts appropriated for fiscal year 1995 under each of sections 329, 340, and 340A (as such sections existed one day prior to the date of enactment of this section) bears to the total amount appropriated under sections 329, 330, 340, and 340A (as such sections existed one day prior to the date of enactment of this section) for such fiscal year.

“(ii) *FISCAL YEARS 1997 AND 1998.*—  
For each of the fiscal years 1997 and 1998, the Secretary, in awarding grants under this section shall ensure that the proportion of the amounts made available under each of subsections (f), (g), and (h) is equal to the proportion of amounts made available under each such subsection for the previous fiscal year, as such amounts relate to the total amounts appropriated for the previous fiscal year involved, increased or decreased by not more than 10 percent.

“(3) *FUNDING REPORT.*—The Secretary shall annually prepare and submit to the appropriate committees of Congress a report concerning the distribution of funds under this section that are provided to

1 meet the health care needs of medically underserved  
2 populations, including the homeless, residents of  
3 public housing, and migratory and seasonal agricul-  
4 tural workers, and the appropriateness of the deliv-  
5 ery systems involved in responding to the needs of  
6 the particular populations. Such report shall include  
7 an assessment of the relative health care access  
8 needs of the targeted populations and the rationale  
9 for any substantial changes in the distribution of  
10 funds.

11 “(1) MEMORANDUM OF AGREEMENT.—In carrying  
12 out this section, the Secretary may enter into a memoran-  
13 dum of agreement with a State. Such memorandum may  
14 include, where appropriate, provisions permitting such  
15 State to—

16 “(1) analyze the need for primary health serv-  
17 ices for medically underserved populations within  
18 such State;

19 “(2) assist in the planning and development of  
20 new health centers;

21 “(3) review and comment upon annual program  
22 plans and budgets of health centers, including com-  
23 ments upon allocations of health care resources in  
24 the State;

1           “(4) assist health centers in the development of  
2       clinical practices and fiscal and administrative sys-  
3       tems through a technical assistance plan which is re-  
4       sponsive to the requests of health centers; and

5           “(5) share information and data relevant to the  
6       operation of new and existing health centers.

7       “(m) RECORDS.—

8           “(1) IN GENERAL.—Each entity which receives  
9       a grant under subsection (d) shall establish and  
10      maintain such records as the Secretary shall require.

11          “(2) AVAILABILITY.—Each entity which is re-  
12      quired to establish and maintain records under this  
13      subsection shall make such books, documents, pa-  
14      pers, and records available to the Secretary or the  
15      Comptroller General of the United States, or any of  
16      their duly authorized representatives, for examina-  
17      tion, copying or mechanical reproduction on or off  
18      the premises of such entity upon a reasonable re-  
19      quest therefore. The Secretary and the Comptroller  
20      General of the United States, or any of their duly  
21      authorized representatives, shall have the authority  
22      to conduct such examination, copying, and reproduc-  
23      tion.

24          “(n) DELEGATION OF AUTHORITY.—The Secretary  
25      may delegate the authority to administer the programs au-

1 thorized by this section to any office within the Service,  
 2 except that the authority to enter into, modify, or issue  
 3 approvals with respect to grants or contracts may be dele-  
 4 gated only within the Health Resources and Services Ad-  
 5 ministration.

6 “(o) SPECIAL CONSIDERATION.—In making grants  
 7 under this section, the Secretary shall give special consid-  
 8 eration to the unique needs of sparsely populated rural  
 9 areas, including priority in the awarding of grants for new  
 10 health centers under subsections (c) and (d), and the  
 11 granting of waivers as appropriate and permitted under  
 12 subsections (b)(1)(B)(i) and (i)(3)(G).”.

13 **SEC. 3. RURAL HEALTH OUTREACH, NETWORK DEVELOP-**  
 14 **MENT, AND TELEMEDICINE GRANT PRO-**  
 15 **GRAM.**

16 (a) IN GENERAL.—Subpart I of part D of title III  
 17 of the Public Health Service Act (42 U.S.C. 254b et seq.)  
 18 (as amended by section 2) is further amended by adding  
 19 at the end thereof the following new section:

20 **“SEC. 330A. RURAL HEALTH OUTREACH, NETWORK DEVEL-**  
 21 **OPMENT, AND TELEMEDICINE GRANT PRO-**  
 22 **GRAM.**

23 “(a) ADMINISTRATION.—The rural health services  
 24 outreach demonstration grant program established under  
 25 section 301 shall be administered by the Office of Rural

1 Health Policy (of the Health Resources and Services Ad-  
 2 ministration), in consultation with State rural health of-  
 3 fices or other appropriate State governmental entities.

4 “(b) GRANTS.—Under the program referred to in  
 5 subsection (a), the Secretary, acting through the Director  
 6 of the Office of Rural Health Policy, may award grants  
 7 to expand access to, coordinate, restrain the cost of, and  
 8 improve the quality of essential health care services, in-  
 9 cluding preventive and emergency services, through the  
 10 development of integrated health care delivery systems or  
 11 networks in rural areas and regions.

12 “(c) ELIGIBLE NETWORKS.—

13 “(1) OUTREACH NETWORKS.—To be eligible to  
 14 receive a grant under this section, an entity shall—

15 “(A) be a rural public or nonprofit private  
 16 entity that is or represents a network or poten-  
 17 tial network that includes three or more health  
 18 care providers or other entities that provide or  
 19 support the delivery of health care services; and

20 “(B) in consultation with the State office  
 21 of rural health or other appropriate State en-  
 22 tity, prepare and submit to the Secretary an ap-  
 23 plication, at such time, in such manner, and  
 24 containing such information as the Secretary  
 25 may require, including—

1                   “(i) a description of the activities  
2                   which the applicant intends to carry out  
3                   using amounts provided under the grant;

4                   “(ii) a plan for continuing the project  
5                   after Federal support is ended;

6                   “(iii) a description of the manner in  
7                   which the activities funded under the grant  
8                   will meet health care needs of underserved  
9                   rural populations within the State; and

10                  “(iv) a description of how the local  
11                  community or region to be served by the  
12                  network or proposed network will be in-  
13                  volved in the development and ongoing op-  
14                  erations of the network.

15                  “(2) FOR-PROFIT ENTITIES.—An eligible net-  
16                  work may include for-profit entities so long as the  
17                  network grantee is a nonprofit entity.

18                  “(3) TELEMEDICINE NETWORKS.—

19                  “(A) IN GENERAL.—An entity that is a  
20                  health care provider and a member of an exist-  
21                  ing or proposed telemedicine network, or an en-  
22                  tity that is a consortium of health care provid-  
23                  ers that are members of an existing or proposed  
24                  telemedicine network shall be eligible for a  
25                  grant under this section.

1           “(B) REQUIREMENT.—A telemedicine net-  
 2           work referred to in subparagraph (A) shall, at  
 3           a minimum, be composed of—

4                   “(i) a multispecialty entity that is lo-  
 5                   cated in an urban or rural area, which can  
 6                   provide 24-hour a day access to a range of  
 7                   specialty care; and

8                   “(ii) at least two rural health care fa-  
 9                   cilities, which may include rural hospitals,  
 10                  rural physician offices, rural health clinics,  
 11                  rural community health clinics, and rural  
 12                  nursing homes.

13          “(d) PREFERENCE.—In awarding grants under this  
 14          section, the Secretary shall give preference to applicant  
 15          networks that include—

16                  “(1) a majority of the health care providers  
 17                  serving in the area or region to be served by the net-  
 18                  work;

19                  “(2) any federally qualified health centers, rural  
 20                  health clinics, and local public health departments  
 21                  serving in the area or region;

22                  “(3) outpatient mental health providers serving  
 23                  in the area or region; or

24                  “(4) appropriate social service providers, such  
 25                  as agencies on aging, school systems, and providers

1 under the women, infants, and children program, to  
 2 improve access to and coordination of health care  
 3 services.

4 “(e) USE OF FUNDS.—

5 “(1) IN GENERAL.—Amounts provided under  
 6 grants awarded under this section shall be used—

7 “(A) for the planning and development of  
 8 integrated self-sustaining health care networks;  
 9 and

10 “(B) for the initial provision of services.

11 “(2) EXPENDITURES IN RURAL AREAS.—

12 “(A) IN GENERAL.—In awarding a grant  
 13 under this section, the Secretary shall ensure  
 14 that not less than 50 percent of the grant  
 15 award is expended in a rural area or to provide  
 16 services to residents of rural areas.

17 “(B) TELEMEDICINE NETWORKS.—An en-  
 18 tity described in subsection (c)(3) may not use  
 19 in excess of—

20 “(i) 40 percent of the amounts pro-  
 21 vided under a grant under this section to  
 22 carry out activities under paragraph  
 23 (3)(A)(iii); and

24 “(ii) 20 percent of the amounts pro-  
 25 vided under a grant under this section to

1 pay for the indirect costs associated with  
 2 carrying out the purposes of such grant.

3 “(3) **TELEMEDICINE NETWORKS.**—

4 “(A) **IN GENERAL.**—An entity described in  
 5 subsection (c)(3), may use amounts provided  
 6 under a grant under this section to—

7 “(i) demonstrate the use of  
 8 telemedicine in facilitating the development  
 9 of rural health care networks and for im-  
 10 proving access to health care services for  
 11 rural citizens;

12 “(ii) provide a baseline of information  
 13 for a systematic evaluation of telemedicine  
 14 systems serving rural areas;

15 “(iii) purchase or lease and install  
 16 equipment; and

17 “(iv) operate the telemedicine system  
 18 and evaluate the telemedicine system.

19 “(B) **LIMITATIONS.**—An entity described  
 20 in subsection (c)(3), may not use amounts pro-  
 21 vided under a grant under this section—

22 “(i) to build or acquire real property;

23 “(ii) purchase or install transmission  
 24 equipment (such as laying cable or tele-  
 25 phone lines, microwave towers, satellite

1 dishes, amplifiers, and digital switching  
2 equipment); or

3 “(iii) for construction, except that  
4 such funds may be expended for minor  
5 renovations relating to the installation of  
6 equipment;

7 “(f) TERM OF GRANTS.—Funding may not be pro-  
8 vided to a network under this section for in excess of a  
9 3-year period.

10 “(g) AUTHORIZATION OF APPROPRIATIONS.—For the  
11 purpose of carrying out this section there are authorized  
12 to be appropriated \$36,000,000 for fiscal year 1996, and  
13 such sums as may be necessary for each of the fiscal years  
14 1997 through 2000.”.

15 (b) TRANSITION.—The Secretary of Health and  
16 Human Services shall ensure the continued funding of  
17 grants made, or contracts or cooperative agreements en-  
18 tered into, under subpart I of part D of title III of the  
19 Public Health Service Act (42 U.S.C. 254b et seq.) (as  
20 such subpart existed on the day prior to the date of enact-  
21 ment of this Act), until the expiration of the grant period  
22 or the term of the contract or cooperative agreement. Such  
23 funding shall be continued under the same terms and con-  
24 ditions as were in effect on the date on which the grant,

1 contract or cooperative agreement was awarded, subject  
 2 to the availability of appropriations.

3 **SEC. 4. TECHNICAL AND CONFORMING AMENDMENTS.**

4 (a) IN GENERAL.—The Public Health Service Act is  
 5 amended—

6 (1) in section 224(g)(4) (42 U.S.C. 233(g)(4))  
 7 by striking “under” and all that follows through the  
 8 end thereof and inserting “under section 330.”;

9 (2) in section 340C(a)(2) (42 U.S.C. 256c) by  
 10 striking “~~diseases~~” “*under*” and all that follows  
 11 through the end thereof and inserting “with assist-  
 12 ance provided under section 330.”; and

13 (3) by repealing subparts V and VI of part D  
 14 of title III (42 U.S.C. 256 et seq.).

15 (b) SOCIAL SECURITY ACT.—The Social Security Act  
 16 is amended—

17 (1) in clauses (i) and (ii)(I) of section  
 18 1861(aa)(4)(A) (42 U.S.C. 1395x(aa)(4)(A)(i) and  
 19 (ii)(I)) by striking “section 329, 330, or 340” and  
 20 inserting “section 330 (other than subsection (h))”;  
 21 and

22 (2) in clauses (i) and (ii)(II) of section  
 23 1905(l)(2)(B) (42 U.S.C. 1396d(l)(2)(B)(i) and  
 24 (ii)(II)) by striking “section 329, 330, 340, or  
 25 340A” and inserting “section 330”.

1       (c) REFERENCES.—Whenever any reference is made  
 2 in any provision of law, regulation, rule, record, or docu-  
 3 ment to a community health center, migrant health center,  
 4 public housing health center, or homeless health center,  
 5 such reference shall be considered a reference to a health  
 6 center.

7       (d) ADDITIONAL AMENDMENTS.—After consultation  
 8 with the appropriate committees of the Congress, the Sec-  
 9 retary of Health and Human Services shall prepare and  
 10 submit to the Congress a legislative proposal in the form  
 11 of an implementing bill containing technical and conform-  
 12 ing amendments to reflect the changes made by this Act.

13 **SEC. 5. EFFECTIVE DATE.**

14       This Act and the amendments made by this Act shall  
 15 become effective on October 1, 1995.

S 1044 RS—2

S 1044 RS—3

S 1044 RS—4